

AN ORDINANCE AUTHORIZING CERTAIN ACTIONS RELATING TO OUTSTANDING OBLIGATIONS DESIGNATED AS CITY OF SAN ANTONIO, TEXAS ELECTRIC AND GAS SYSTEMS COMMERCIAL PAPER NOTES, SERIES A, INCLUDING APPROVAL OF A REVOLVING CREDIT AGREEMENT; AN AMENDED AND RESTATED DEALER AGREEMENT, AND AN AMENDED AND RESTATED COMMERCIAL PAPER ISSUING AND PAYING AGENCY AGREEMENT; AND ENACTING OTHER PROVISIONS INCIDENT AND RELATED TO THE SUBJECT AND PURPOSE OF THIS ORDINANCE

WHEREAS, the City of San Antonio, Texas (the *City*) is a home rule municipality, a political subdivision of, and is duly organized and existing pursuant to the Constitution and laws of the State of Texas (the *State*) and has a population in excess of 50,000;

WHEREAS, pursuant to State law, the City Council (the *City Council*) of the City has heretofore issued, and there are currently outstanding, revenue obligations designated as "City of San Antonio, Texas Electric and Gas Systems Commercial Paper Notes, Series A" (herein referred to as the *Commercial Paper Notes*) issued pursuant to the ordinance adopted by the City Council on June 26, 1997 (the *Note Ordinance*); and

WHEREAS, in order to provide certain liquidity support for the Commercial Paper Notes, the City Council, acting through the Board (hereinafter defined), previously entered into a revolving credit agreement in connection with the issuance of the Commercial Paper Notes which is scheduled to expire not later than November 1, 2005 and which the Board has provided notice that this revolving credit agreement will not be extended; and

WHEREAS, the City Council must authorize a new revolving credit agreement, including one or more bank notes, pursuant to the Note Ordinance prior to issuing any Commercial Paper Notes; and

WHEREAS, the City Council has been advised by its co-financial advisors that the liquidity for the Commercial Paper Notes will be provided pursuant to a revolving credit agreement, including one or more bank notes, issued by State Street Bank and Trust Company, as Administrative Agent and State Street Bank and Trust Company and the Bank of America, N.A., as banks; and

WHEREAS, the Board of Trustees of the City Public Service Board (the *Board*) has pursuant to a resolution adopted on August 30, 2004, recommended various actions, including that the revolving credit agreement authorized hereby should be entered into by the City; and

WHEREAS, the City Council hereby finds and determines the adoption of this ordinance is in the best interests of the citizens of the City Council; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO THAT:

SECTION 1. Authorization of Credit Agreement. The revolving credit agreement, including one or more bank notes, entered between the City, acting through the Board, and State

Street Bank and Trust Company, as Administrative Agent and State Street Bank and Trust Company and the Bank of America, N.A., as banks, for the Commercial Paper Notes, is hereby authorized to be executed with State Street Bank and Trust Company, as Administrative Agent and State Street Bank and Trust Company and the Bank of America, N.A., as banks, as liquidity provider for the Commercial Paper Notes. The Mayor and City Clerk of the City and the General Manager and CEO, Treasurer, or Assistant Treasurer of the City Public Service Board are hereby authorized and directed to execute the necessary documents relating to this matter.

SECTION 2. Authorization of Amended and Restated Issuing and Paying Agency Agreement. The Amended and Restated Issuing and Paying Agency Agreement entered between the City, acting through the Board, and Deutsche Bank Trust Company Americas, for the Commercial Paper Notes, is hereby authorized to be executed with Deutsche Bank Trust Company Americas, as Issuing and Paying Agent for the Commercial Paper Notes. The Mayor and City Clerk of the City and the General Manager and CEO, Treasurer, or Assistant Treasurer of the City Public Service Board are hereby authorized and directed to execute the necessary documents relating to this matter.

SECTION 3. Authorization of Amended and Restated Dealer Agreements. The separate Amended and Restated Dealer Agreements entered between the City, acting through the Board, and Citigroup Global Markets Inc. and J. P. Morgan Securities Inc., respectively (the *Dealers*), for the Commercial Paper Notes, are hereby authorized to be executed with the Dealers for the Commercial Paper Notes. The Mayor and City Clerk of the City and the General Manager and CEO, Treasurer, or Assistant Treasurer of the City Public Service Board are hereby authorized and directed to execute the necessary documents relating to this matter.

SECTION 4. Authorization of Commercial Paper Memorandum. The form and content of the Commercial Paper Memorandum is hereby approved by the City Council and the use of such Commercial Paper Memorandum by the Dealers in connection with the sale of the Commercial Paper Notes is hereby authorized.

SECTION 5: Inconsistent Provisions. All ordinances and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters ordained herein.

SECTION 6: Governing Law. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 7: Severability. If any provision of this Ordinance or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Ordinance and the application of such provision to other persons and circumstances shall nevertheless be valid, and the City Council hereby declares that this Ordinance would have been enacted without such invalid provision.

SECTION 8: Incorporation of Preamble Recitals. The recitals contained in the preamble hereof are hereby found to be true, and such recitals and other statements therein are hereby

made a part of this Ordinance for all purposes and are adopted as a part of the judgment and findings of the City Council.

SECTION 9: Public Meeting. It is officially found, determined, and declared that the meeting at which this Ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Ordinance, was given, all as required by Chapter 551, as amended, Texas Government Code.

SECTION 10: Further Proceedings. The officers and employees of the City and the Board are hereby authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and under the corporate seal and on behalf of the City all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance. In case any officer of the City or the Board whose signature shall appear on any certificate shall cease to be such officer before the delivery of such certificate, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

SECTION 11. Effective Date. The effective date of this Ordinance shall be governed by the provisions of Section 1-15 of the City's Code and the City's Home Rule Charter and this Ordinance shall become effective immediately upon its passage by eight affirmative votes, and it is so enacted.

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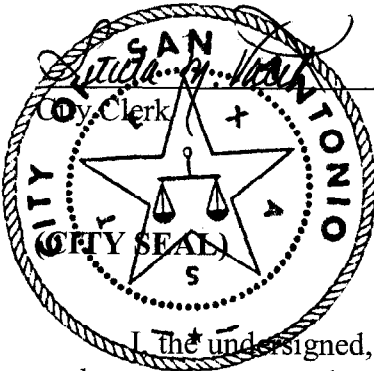
PASSED AND ADOPTED by an affirmative vote of 8 members of the City Council of the City of San Antonio, Texas, this the 2nd day of September, 2004.

CITY OF SAN ANTONIO

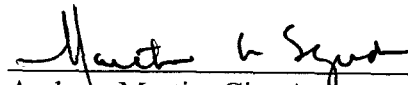


Mayor

ATTEST:



I, the undersigned, City Attorney of the City of San Antonio, Texas, hereby certify that I read, passed upon, and approved as to form the foregoing Ordinance prior to its adoption and passage as aforesaid.



Andrew Martin, City Attorney,
City of San Antonio, Texas

Agenda Voting Results

Name: 31B. 99660

Date: 09/02/04

Time: 03:17:34 PM

Vote Type: Multiple selection

Description: B. An Ordinance authorizing certain actions relating to outstanding obligations designated as City of San Antonio, Texas Electric and Gas Systems Commercial Paper Notes, Series A, including approval of a revolving credit agreement, an amended and restated dealer agreement, and an amended and restated commercial paper issuing and paying agency agreement; and enacting other provisions incident and related to the subject and purpose of this ordinance.

Voter	Group	Status	Yes	No	Abstain
ROGER O. FLORES	DISTRICT 1	Not present			
JOEL WILLIAMS	DISTRICT 2		x		
RON H. SEGOVIA	DISTRICT 3		x		
RICHARD PEREZ	DISTRICT 4	Not present			
PATTI RADLE	DISTRICT 5		x		
ENRIQUE M. BARRERA	DISTRICT 6	Not present			
JULIAN CASTRO	DISTRICT 7		x		
ART A. HALL	DISTRICT 8		x		
CARROLL SCHUBERT	DISTRICT 9		x		
CHRISTOPHER "CHIP" HAAS	DISTRICT_10		x		
MAYOR ED GARZA	MAYOR		x		